

**Faculty Council**
**Meeting Specifics**

Purpose	Cadence	Executive Sponsor
Informational	Special Called: Budget Update	Dean DiPaola
Date	Time	Location
Monday, April 27, 2020	6:00-7:00 p.m.	Zoom

**Committee Chair(s) and Members**

Basic Science Members	Clinical Science Members
<input checked="" type="checkbox"/> Blonder, Lee X.	<input checked="" type="checkbox"/> Ballard, Hubert (Vice Chair)
<input checked="" type="checkbox"/> Hatcher, April R. (Chair)	<input type="checkbox"/> Deep, Kristy S.
<input checked="" type="checkbox"/> Mellon, Isabel	<input checked="" type="checkbox"/> Fragneto, Regina
<input checked="" type="checkbox"/> Spear, Brett	<input checked="" type="checkbox"/> Gabriel, Gaby E.
<input checked="" type="checkbox"/> Whiteheart, Sidney	<input checked="" type="checkbox"/> Hays, Lon R.
<input checked="" type="checkbox"/> Jessica McFarlin	<input type="checkbox"/> Stevens, Julia C.

**Visitors and Standing Guests**

<input checked="" type="checkbox"/> Adams, Quinn (Standing Guest)	<input checked="" type="checkbox"/> Ross, Shavonna (Standing Guest)	<input checked="" type="checkbox"/> Tannock, Lisa (Standing Guest)
<input checked="" type="checkbox"/> DiPaola, Robert (Standing Guest)	<input checked="" type="checkbox"/> Sanger, Matthew (Standing Guest)	<input checked="" type="checkbox"/> Sawaki Adams, Lumy (Standing Guest)
<input checked="" type="checkbox"/> Jones, Davy (Guest)	<input checked="" type="checkbox"/> Geddes, Jim (Guest)	<input checked="" type="checkbox"/> Greathouse, Lauren (Guest)
<input checked="" type="checkbox"/> Harris, Kim (Guest)	<input checked="" type="checkbox"/> Griffith, Charles (Guest)	<input checked="" type="checkbox"/> Allison, Roxie (Guest)

Agenda Item	Presenter/Facilitator
Call to Order	April Hatcher
Declaration of Quorum	April Hatcher
Approval of Minutes April 21, 2020 Meeting April 23, 2020 General Faculty Meeting	April Hatcher
Budget Update, April 21, 2020	Robert DiPaola
College Productivity Model, April 21, 2020	Robert DiPaola
College Response/Next Steps	Robert DiPaola
Next Meeting <ul style="list-style-type: none"> <li>May 19, 2020 – Zoom</li> </ul>	

Notes	
Topic	Discussion
Opening Remarks	<ul style="list-style-type: none"> <li>• Meeting called to order by A. Hatcher.</li> <li>• Quorum declared at 6:03 p.m. (ten (10) members present).</li> <li>• Minutes from April 21, 2020 meeting, accepted and approved.</li> <li>• Minutes from April 23, 2020 General Faculty Meeting, accepted and approved.</li> </ul>
Budget Update	<ul style="list-style-type: none"> <li>• R. DiPaola updated Faculty Council on the budget reduction request.</li> <li>• The projected impact is going to be \$72.3 million across the University of Kentucky.</li> <li>• The final FY21 reduction for distribution is assessed equally across the five reporting areas: President, Provost, Research, EVPFA, and University-wide. The assessed reduction is 10% to each area.</li> <li>• For the Provost area, the College Productivity Model was used to distribute reductions to the colleges.</li> <li>• The goal is to achieve reductions based on performance, and the reductions ranged from nine to 11 percent.</li> <li>• Based on the model, the college of medicine's assigned goal is a 10 percent reduction.</li> </ul>
College Productivity Model	<ul style="list-style-type: none"> <li>• R. DiPaola presented the College Productivity Model.</li> <li>• There were three metrics to determine the reduction based on the College Productivity Model.</li> <li>• The first metric was degrees awarded per number of full-time faculty members over the number of full-time faculty members in the college over the period.</li> <li>• The second metric was the percent of full-time salary from extramural funds for the college for faculty who have at least 10% of their DOE on research (faculty with external grants and contracts) over the "total annual compensation" of faculty from all fund sources.</li> <li>• The third metric was the percent of attempted credit hours taught by tenured faculty over total attempted credit hours taught by the college over the period.</li> <li>• The College of Medicine was asked to cut \$6 million from the general fund.</li> <li>• A difficulty for the College of Medicine is not only do we get money for academic activities on the research and education ends from the general fund, but we also get it on the Dean's Academic Enrichment fund. The College of Medicine is looking at approximately a \$12 million reduction from the academic funds.</li> <li>• Separately, in hospital-based areas, UK HealthCare asked the college to reduce \$4.5 million, which came out of staff in the clinical departments and also out of the physician productivity bonus.</li> </ul>

## College Response/Next Steps

- Dean DiPaola presented the College of Medicine’s proposed budget reduction plan, which resulted in a \$12 million cut in academic funds: \$6 million from general funds for FY2021, \$2.5 million from the Dean’s Academic Enrichment (DAE) for FY2020 and \$3.5 million in FY2021. That plus the reduction of clinical revenue by \$10.5 million (\$4.5 million in administrative no-pay and \$6 million incentive compensation) results in a total minimum impact of \$22.5 million.
- The proposed budget reduction plan was created by soliciting feedback from leadership and faculty across the college. In addition to the principles President Capilouto used to guide decisions for the college, the college identified additional principles to guide our process: comprehensive budget planning, e.g., interdependency with UK HealthCare and the financial pressures of other areas (general funds, enrichment, endowment, etc.); prioritizing our workforce to drive the activity of all mission; and a vertical approach between research and education versus a standard reduction across the board, e.g., 10%.
- A strategy to thrive in FY2022 was based upon creating a buffer by maintaining funds to reboot activities through the transdisciplinary strategy that resulted in the growth and stability of the college. The \$6 million proposed reduction in the DAE was based upon a \$2.5 million projected loss this quarter.
- The Dean’s Office and Administration is proposing to reduce budgets by \$1 million in programs, hiring delays, facilities, and travel. The Office of Medical Education restructured and decreased FTE for physician associate and assistant deans and reduced expenses as a result of associate dean restructure and delayed recruitment for staff.
- The vertical approach is proposed to be met by a:
  - \$3 million reduction relative to the Markey Cancer Center, which will now be covered through multiple sources including unspent UK Research Foundation funds and gifts/endowments;
  - \$660,000 reduction in FY2021 for Area Health Education Center (AHEC). The college has been historically covering a deficit for AHEC with \$1.4 million annually. Despite this amount, less activity has been needed over recent years given changes in student placement, with reduced need currently to less than \$200,000 of services across all UK colleges. To continue to help support our Professional Health Colleges, the College of Medicine has proposed to continue to provide each center with \$155,975 annually. This, in addition to federal dollars provided by the University of Louisville of \$66,740 each, which will allow each center to maintain at least a center director and one staff member at all sites to help cover the activity needed. This will be a reduction of

## College Response/Next Steps (cont.)

\$660,000 in fiscal year 2021. There is a plan to evaluate and, if necessary, reduce further in fiscal year 2022 unless additional funding sources are identified and the an appropriate level of need remains. However, this must be approved by main campus; and

- \$550,000 reduction in FY2021 for the Center for Excellence in Rural Health located in Hazard. The college has been covering a deficit of \$1.1 million in funds. We plan to continue the mandated \$425,000 as well as maintain an additional \$550,000 to ease restructuring.
- Additional areas of potential savings from the DAE fund are anticipated as a result of reduced contributions because of decreased clinical activity.
- The academic performance bonus will be eliminated in both fiscal years: \$2.5 million in FY20 and \$2.5 million in FY21.
- \$900,000 per year was budgeted for the clinical scientist pipeline program. However, given slower recruitment in the current year, this budget will be reduced by \$600,000 in FY21.
- Given the shift of Center for Health Services Research staff to UK HealthCare, research activity has almost ceased with only one remaining faculty. We will continue faculty support but reduce staffing, as these positions were being reduced anyway later in FY21. Thus, commitments will be ending earlier for a reduction of \$500,000.
- Shifts in post-docs will be covered by endowments and savings due to reductions in lab staff, for a total of \$210,000.
- The \$8 million in reduction is estimated to be \$2 million more than needed in an effort to buffer any additional costs and to have funds available for use in FY22.
- This budget reduction plan will not interfere with recruits of strong researchers and will not change department and center budgets. It allows for the best options in recovery and the change to the 403B match saves \$1 million.

## Questions/Comments from Faculty Council and guests:

- A. Hatcher stated the plan makes sense as outlined and was in favor of changes to the Wethington Award. Others in favor of changes to the Wethington Award were H. Ballard, B. Spear, I. Mellon, L. Sawaki Adams, L. Hays, R. Fragneto, and S. Whiteheart.
- H. Ballard agreed with forgoing the academic performance bonus. He questioned reducing professional development (PD) funds. L. Tannock stated PD is not a line item in the budget; R. Allison confirmed such is designated as travel, registration fees, etc. R. Allison estimated PD at \$3 million but there has been no discussion around adjusting it. H.

<p>College Response/Next Steps (cont.)</p>	<p>Ballard suggested it is a potential way to trim costs since it relates to academic performance.</p> <ul style="list-style-type: none"> <li>• A. Hatcher reminded the group that PD experiences affect performance evaluations, so if PD was cut, faculty should not be penalized. L. Tannock stated the Provost sent communication today that faculty on probation would receive a one-year extension. She also stated that not every department has PD funds.</li> <li>• G. Gabriel asked if all avenues had been explored and Dean DiPaola confirmed they had. He liked H. Ballard’s recommendation to reduce PD funds. He suggested that commitments be considered as loans to be paid back. He asked how the college would handle more cuts if there is another wave of COVID-19 in the months ahead. Dean DiPaola stated the buffer that was incorporated into the current plan would help, as well as the DAE fund and the delay of start-up packages.</li> <li>• J. McFarlin questioned leadership’s feedback given programmatic reductions. R. Allison confirmed that all were consulted; she personally spoke with F. Feltner, Director of the Center for Excellence in Rural Health, and C. Griffith consulted with C. Marin and J. Ballard regarding the Area Health Education Center.</li> <li>• L. Blonder questioned if faculty would be asked to reduce their appointment length or retire early. Dean DiPaola stated such was not part of the college’s budget reduction plan. L. Blonder is concerned with reducing the Wethington Award for next year because some faculty were counting on that support.</li> <li>• L. Sawaki Adams agrees with H. Ballard’s suggestion to reduce PD funds. In an effort to be more transparent, she suggests informing faculty if more cuts are to be expected.</li> <li>• S. Whiteheart applauds changes to AHEC and the Center for Excellence in Rural Health. Perhaps such will prompt them to reorganize and become stronger programs.</li> <li>• Once the Provost provides approval of the budget reduction plan, Dean DiPaola plans to request that he is able to communicate the news to the college.</li> <li>• G. Gabriel suggested the Faculty Council email the general faculty to inform them that the council has met with Dean DiPaola regarding the budget reduction plan, rather than general faculty receiving an email from the college after the fact. The council agreed this was appropriate.</li> </ul>
<p>PhD in IBS</p>	<ul style="list-style-type: none"> <li>• Faculty Council will send an email regarding this matter.</li> </ul>

Other Business

- Meeting ended at 7:35 p.m.

DRAFT